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**ASSOCIATION FOR COMMUNITY TRAINING, INC.
SHREVEPORT, LOUISIANA**

**REPORT OF EXAMINATION OF FINANCIAL STATEMENTS
INTERNAL CONTROL AND COMPLIANCE**

JUNE 30, 2001

**JERRY L. WHITE
CERTIFIED PUBLIC ACCOUNTANT
133 BUTTERCUP COURT
WHITE HOUSE STATION, NEW JERSEY 08889
PHONE: (908) 823-0116**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4/7/01

ASSOCIATION FOR COMMUNITY TRAINING, INC.
SHREVEPORT, LOUISIANA

REPORT OF EXAMINATION OF FINANCIAL STATEMENTS
INTERNAL CONTROL AND COMPLIANCE
JUNE 30, 2001

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JERRY L. WHITE
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Association for Community Training, Inc.
Shreveport, Louisiana

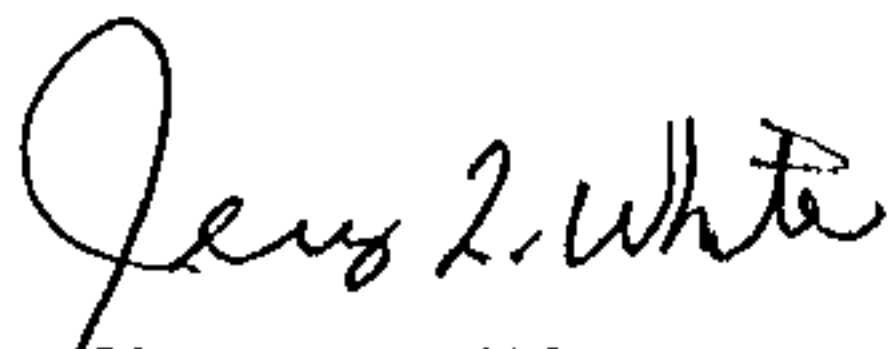
I have audited the accompanying statement of financial position of Association for Community Training, Inc., a non-profit corporation, as of June 30, 2001, and the related statement of activities and cash flows for the year then ended and the Child Care Food Program Fund of the Association for Community Training, Inc., for the twelve month period ended June 30, 2001 as listed in the table of contents. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Association for Community Training, Inc., as of June 30 2001, and the results of its operations and changes in its net assets and its cash flows for the year then ended and the Child Care Food Program Fund the Association for Community Training, Inc., for the twelve month period ended June 30, 2001, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated October 28, 2001, on my consideration of Association for Community Training, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-profit Organizations, and is not a required part of the basic financial statements. Also, the accompanying financial information listed as supplementary financial information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit the financial statements and, in my opinion, is fairly stated in all material respects, in relation to the financial statements as a whole.



JERRY L. WHITE
Certified Public Accountant

October 28, 2001

Association For Community Training, Inc.
Shreveport, Louisiana
STATEMENT OF FINANCIAL POSITION
For the Fiscal Year Ended June 30, 2001

	OUAD PROGRAMS	DRUG ABUSE	CHILD CARE	WOODLAWN TERRACE	MILAM/ALLEN PROJECT	GENERAL FUND	TOTAL FUNDS	2000 TOTAL FUNDS
ASSETS								
CURRENT ASSETS								
Cash	39,205	500			959	8,574	49,238	67,035
Grant Receivable (Note A)	29,000		111,024				140,024	60,858
Accounts Receivable						30,000	30,000	11,000
Due From Other Funds			11,327			15,500	26,827	2,366
Prepaid Expenses								5,284
Total Current Assets	68,205	500	122,351		959	54,074	246,089	146,543
PROPERTY AND EQUIPMENT AT COST (Note D)								
Land					17,496	36,000	53,496	36,000
Building					28,535	274,150	302,685	274,150
Building Improvements						349,610	349,610	136,181
Equipment						393,888	393,888	366,363
Furniture and Fixtures						2,333	2,333	2,332
Vehicle						90,510	90,510	90,510
Less accumulated depreciation					(1,744)	(377,051)	(378,795)	(274,209)
Net Property, Plant and Equipment					44,287	769,440	813,727	631,327
TOTAL ASSETS	68,205	500	122,351		45,246	823,514	1,059,816	777,870
LIABILITIES								
CURRENT LIABILITIES								
Bank Overdraft			6,196	35,411			41,607	58,987
Accounts Payable	49,514		108,408	34,969	1,541		194,432	159,204
Accrued Payroll	10,016		5,801				15,817	3,102
Payroll Taxes Payable	1,556		1,946				3,502	2,364
Due To Other Funds	10,325	500		18,000	12,000	11,327	52,152	13,365
Current Portion of Mortgage Payment (Note A)					7,643	21,916	29,559	21,916
Security Deposit				10,491			10,491	6,285
Total Current Liabilities	71,411	500	122,351	98,871	21,184	33,243	347,560	265,223
LONG TERM LIABILITIES								
Mortgage Payable (Note A)					35,462		35,462	
Total Liabilities	71,411	500	122,351	98,871	56,646	33,243	383,022	265,223
FUND EQUITY								
Investment In General Fixed Assets						769,440	769,440	631,327
FUND BALANCE								
Unrestricted	(3,206)			(98,871)	(11,400)	20,831	(92,646)	(118,680)
TOTAL LIABILITIES AND FUND EQUITY	68,205	500	122,351		45,246	823,514	1,059,816	777,870

The accompanying notes are an integral part of this statement

ASSOCIATION FOR COMMUNITY TRAINING, INC.
SHREVEPORT, LOUISIANA

STATEMENT OF ACTIVITY
For the Fiscal Year Ended June 30, 2001

	OUAD PROGRAMS	DRUG ABUSE	CHILD CARE	WOODLAWN TERRACE	MILAM/ALLEN PROJECT	GENERAL FUND	TOTAL FUNDS	2000 TOTAL FUNDS
REVENUES:								
Governmental Grants	1,216,000	16,721	723,008	149,572			2,105,301	1,879,954
Fiscal Management						76,891	76,891	58,705
Interest Income	6,226					44	6,270	
Rental Income				229,201			229,201	
Donations				47,500	11,838	500	59,838	
Other			12,918	19,625	23,695		56,238	262,250
Total Support and Revenue	<u>1,222,226</u>	<u>16,721</u>	<u>735,926</u>	<u>445,898</u>	<u>35,533</u>	<u>77,435</u>	<u>2,533,739</u>	<u>2,200,909</u>
EXPENDITURES:								
Salaries	463,459	13,467	91,861	69,331			638,118	776,600
Fringe Benefits	108,015	1,109	13,430	4,908		3,986	131,448	126,307
Travel	20,557		3,066				23,623	20,222
Insurance	13,414			18,448	1,074		32,936	33,252
Equipment	109,663				5,500		115,163	87,751
Office Supplies	6,350	169	2,993	5,119	510	391	15,532	15,353
Postage	2,838	66	322			361	3,587	3,522
Printing	940						940	1,559
Professional Services	57,300	1,239	10,400	31,041		27,088	127,068	141,196
Rent	77,299		9,900				87,199	82,340
Telephone	6,412		2,783	5,596	1,683		16,474	14,788
Repairs	931		884		1,869		3,684	1,811
Utilities	8,154		1,111	64,233	10,072		83,570	72,322
Retreats and Field Trips	764						764	2,725
Conferences, Conventions, Meetings	1,945		610				2,555	2,900
License and Permits	9,225				100		9,325	6,618
Van Repairs	3,998						3,998	3,235
Material and Supplies	13,898	671			17,987	734	33,290	11,889
Teachers and Aides	66,680						66,680	3,404
Consultants	36,000						36,000	36,000
Community Projects	59,200						59,200	59,113
Fiscal Management	158,390						158,390	69,809
Outside Services				234,836			234,836	126,851
Depreciation					1,744		1,744	
Bank Charges				663		104	767	559
Provider Reimbursement			598,566				598,566	534,118
Taxes					2,171			2,768
Program Expense						14,928		
Other					4,223	633		
TOTAL EXPENDITURES	<u>1,225,432</u>	<u>16,721</u>	<u>735,926</u>	<u>434,175</u>	<u>46,933</u>	<u>48,225</u>	<u>2,507,412</u>	<u>2,237,012</u>
EXCESS (DEFICIENCY) OF SUPPORT AND REVENUE OVER EXPENDITURE	(3,206)			11,723	(11,400)	29,210	26,327	(36,103)
FUND BALANCE, BEGINNING OF YEAR	(2,809)		(1,783)	(110,594)		(3,787)	(118,973)	(74,651)
INTERFUND TRANSFER	<u>2,809</u>		<u>1,783</u>			<u>(4,592)</u>		<u>(7,926)</u>
FUND BALANCE, ENDING	<u>(3,206)</u>			<u>(98,871)</u>	<u>(11,400)</u>	<u>20,831</u>	<u>(92,646)</u>	<u>(118,680)</u>

The accompanying notes are an integral part of this statement

ASSOCIATION FOR COMMUNITY TRAINING, INC.
SHREVEPORT, LOUISIANA

STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2001

	<u>OUAD PROGRAMS</u>	<u>DRUG ABUSE</u>	<u>CHILD CARE</u>	<u>WOODLAWN TERRACE</u>	<u>MILAM/ALLEN PROJECT</u>	<u>GENERAL FUND</u>	<u>TOTAL FUNDS</u>
CASH FLOWS FROM OPERATING ACTIVITIES							
Excess (Deficiency) of Revenues over Expenditures	(3,206)			11,723	(11,400)	29,210	26,327
Adjustments to reconcile operating Income to net cash provided (used) by operating activities							
Cash flows reported in other categories							
Depreciation					3,285		3,285
Change in assets and liabilities							
Receivables (net)	(29,000)	2,900	(53,066)			(19,000)	(98,166)
Receivables from other funds	10,325	(490)	(12,702)	7,000	12,000	(1,807)	14,326
Prepaid Expenses	5,284						5,284
Accounts Payable	(18,967)	(574)	53,228				33,687
Taxes Payable	334	(242)	1,046				1,138
Accrued Expenses	10,016	(1,463)	4,162				12,715
Tenant Security Deposit				4,206			4,206
Total Cash InFlows	<u>(25,214)</u>	<u>131</u>	<u>(7,332)</u>	<u>22,929</u>	<u>3,885</u>	<u>8,403</u>	<u>2,802</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds from sale of capital assets							
Purchases of capital assets					(46,031)		(46,031)
Building Improvements						(213,429)	(213,429)
Proceeds from CBDG Grant						213,429	213,429
Proceeds from capital debt					46,031		46,031
Principal paid on capital debt					(2,926)		(2,926)
Net cash provided (used) by capital an related financing activities					(2,926)		(2,926)
INCREASE (DECREASE) IN CASH	<u>(25,214)</u>	<u>131</u>	<u>(7,332)</u>	<u>22,929</u>	<u>959</u>	<u>8,403</u>	<u>(124)</u>
UNRESTRICTED CASH @ 7/01/00	<u>61,610</u>	<u>369</u>	<u>(647)</u>	<u>(58,340)</u>		<u>4,763</u>	<u>7,755</u>
INTERFUND TRANSFER	2,809		1,783			(4,592)	
UNRESTRICTED CASH @ 6/30/01	<u>39,205</u>	<u>500</u>	<u>(6,196)</u>	<u>(35,411)</u>	<u>959</u>	<u>8,574</u>	<u>7,631</u>

The accompanying notes are an integral part of this statement

**ASSOCIATION FOR COMMUNITY TRAINING, INC.
SHREVEPORT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2001**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Organization

The Association for Community Training, Inc. was incorporated on May 11, 1984 in Shreveport, Louisiana for civic and charitable purposes. Its mission is to provide services needed to enrich the lives of all needy citizens of Caddo Parish. The Board of Directors is composed of eleven members. The board officers for the year ended June 30, 2001, were Mrs. Eddie Jones, President, Mr. Wendell Piper, Vice President, Mr. Charles Lester, Treasurer. Board members are not compensated.

Basis of Presentation - Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

All funds are accounted for using modified accrual basis of accounting and the current financial resources measurement focus. Under this basis revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

ASSOCIATION FOR COMMUNITY TRAINING, INC.
SHREVEPORT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2001

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Program Activities

QUAD Programs - QUAD programs consists of three programs funded by the Office of Urban Affairs and Development. The programs are Access II, After School Study and Homemakers. A brief description of each program is provided below.

Access II - The goal of this program is providing at-risk African American boys in fourth through fifth grade in eight elementary schools in Caddo Parish. The program is designed to provide a comprehensive approach to meet the needs of youth and involve parents in helping to meet those needs.

After School Study - This is an after-school study program designed to enable under-achieving students to perform at the state minimum requirements in reading, mathematics, and writing. Through a contract with the Caddo Parish School Board, the program utilizes classrooms in several school locations and employs retired, certified teachers who provide individual instruction in small group settings to high-risk middle and elementary school youngsters.

Homemakers - This program educates and assists families in good health, sanitation, and home safety. The services provided include performing routine household tasks, including laundry, mending, ironing, shopping, and running errands, preparing and serving nutritious meals, cleaning, writing letters and completing forms on behalf of clients to secure services from governmental agencies, providing companionship, emotional support, and social stimulation, arranging or providing transportation as necessary in delivering these services, assisting clients with bathing, toiletries, eating, ambulating, and performing "handy-man" activities.

**ASSOCIATION FOR COMMUNITY TRAINING, INC.
SHREVEPORT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2001**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Drug Abuse and Education - This program provides residents of Ledbetter Heights (a low-income, economically deprived neighborhood) with drug abuse education and prevention program focusing on: harmful effects of drugs, early intervention, individual counseling, and rehabilitation referral for the drug user.

Child Care Food - This program funds the provision of food to dependent recipients in approximately 300 day care homes. Homes must pass periodic fire and sanitation inspections and eligible providers must serve meals in conformity with meal plans approved by the United States Department of Agriculture. This program fiscal period is from Sept. 1 through Oct. 30. The information presented in this audit report is for twelve month period ended June 30, 2001.

Funding

Association for Community Training, Inc. was funded in 2001 as follows:

Louisiana Office of Urban Affairs	\$1,216,000
Louisiana Department of Education	\$ 723,008
Louisiana Department of Education	\$ 16,721
City of Shreveport - CBDG Grant	\$ 149,572

Grants Receivable

Louisiana Department of Education	\$ 111,024
Louisiana Office of Urban Affairs	\$ 29,000

ASSOCIATION FOR COMMUNITY TRAINING, INC.
SHREVEPORT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2001

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax Status

Association for Community Training, Inc., a non-profit corporation, is exempt from federal income taxation under Section 501 (c) (3) of the Internal Revenue Code.

Changes in Long - Term Debt

Debt of Association for Community Training, Inc. at June 30, 2001 consists of the following:

- 1) Mortgage payable due to Regions bank in monthly installments of \$637.22 and secured by real estate as part of the Milam and Allen Project.
- 2) Mortgage payable, due in monthly installments of \$354.37, and \$175.00, maturing November 1996 and December 1996 respectively, secured real estate. Interest is 19.75% and 8.5% respectively. The Association is currently in dispute with the mortgage companies regarding previous amounts paid to the companies and outstanding balances. Per the Association's management this dispute will be resolved in the upcoming year. The amounts are shown on the statement of financial position at their full value.

Details of Mortgage Payable:

Merrill Lynch	\$ 10,699
Lomas Mortgage	11,247
Regions Bank	43,105
Balance 6/30/01	65,051
Less: Current Portion	29,559
Total	<u>\$ 35,492</u>

ASSOCIATION FOR COMMUNITY TRAINING, INC.
SHREVEPORT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2001

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Summarized Financial Information for 2000

The financial information for the year ended June 30, 2000, presented for comparative purposes, is not intended to be a complete financial statement presentation.

NOTE B - BUDGETS AND BUDGETARY ACCOUNTING:

Association for Community Training, Inc. generally follow these procedures in establishing the budgetary data reflected in these financial statements:

1. Management, with technical assistance provided by the State of Louisiana Office of Urban Affairs or other funding source, prepares a proposed budget and submits the same to the Board of Directors for approval prior to the beginning of each fiscal year.
2. Budgetary amendments involving the transfer of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require approval of the Board of Directors.
3. All budgetary appropriations lapse at the end of each fiscal year.
4. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Directors or the Louisiana Office of Urban Affairs.
5. Formal budgetary integration is employed as a management control device during the year for all funds.
6. Expenditures can legally exceed appropriations, but not more than 5%.

ASSOCIATION FOR COMMUNITY TRAINING, INC.
SHREVEPORT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2001

NOTE C - EXPENDITURES - ACTUAL AND BUDGET:

The following individual fund had actual expenditures over budgeted expenditures for the year ended June 30, 2001.

NONE

NOTE D - SUMMARY OF FIXED ASSETS AND DEPRECIATION

Property, Plant, and Equipment are stated at cost. The organization follows the practice of capitalizing all expenditures for property, plant and equipment in excess of \$75; the fair value of donated fixed assets is similarly capitalized. Depreciation is provided over the estimated useful lives of the respective assets on the straight-line basis.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related assets, as applicable.

<u>COST</u>	<u>ACCUMULATED DEPRECIATION</u>		<u>NET</u>	<u>DEPRECIATION ANNUAL RATES</u>
LAND	\$ 53,496	--	53,496	N/A
BUILDING	\$ 302,685	90,972	211,713	6.7 Percent
BLDG. IMP	\$ 349,610	61,487	288,123	6.7 Percent
EQUIPMENT	\$ 393,888	167,084	226,804	14-20 Percent
FURNITURE & FIXTURES	\$ 2,332	2,332	--	14 Percent
VEHICLES	\$ 90,510	56,920	33,590	14 Percent

ASSOCIATION FOR COMMUNITY TRAINING, INC.
SHREVEPORT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2001

NOTE E - CASH

All cash funds are covered by FDIC insurance at a federally insured financial institution.

NOTE F - ACCRUED VACATION LIABILITY

The current policy of Association for Community Training, Inc. provide for terminating employees to receive pay in lieu of accrued annual leave in accordance with the following:

1. Employees terminated during probationary period receive leave pay settlement.
2. Employees terminating with less than six (6) months service receive no settlement for unused vacation.
3. Employees with six (6) months or more service are paid for unused leave in accordance with policies.

NOTE G - JUDGMENTS, CLAIMS, AND CONTINGENCIES

There are several pending litigation items against the Association for Community Training, all in regards to accidents that occurred at the Woodlawn Terrace property owned by the Association. It is the opinion of the Association's attorney that these will be resolved in favor of the Association. Furthermore, the Association's management believes that any adverse opinion would be adequately covered by insurance.

ASSOCIATION FOR COMMUNITY TRAINING, INC.
SHREVEPORT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2001

NOTE G-JUDGMENTS, CLAIMS, AND CONTINGENCIES (Continued)

The Association receives revenues from various State grant programs that are subject to final review and approval as to allowability of expenditures by the respective grantor agencies. Any settlements or expenses arising out of a final review are recognized in the period in which agreed upon by the agency and the Association for Community Training, Inc. Also, it is management's opinion that any audits by the grantor agencies would not produce disallowed program costs and liabilities to such an extent that they would materially affect the Association for Community Training' financial position.

JERRY L. WHITE
Certified Public Accountant

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENTAL AUDITING STANDARDS**

Board of Directors
Association for Community Training, Inc.
Shreveport, Louisiana

I have audited the financial statements of Association for Community Training, Inc., Shreveport, Louisiana as of and for the year ended June 30, 2001, and have issued my report thereon dated October 28, 2001. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the Association's compliance with certain provisions of laws, regulations, contracts, and grants, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Governmental Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Association's internal control over financial reporting in order to determine my auditing procedures for the purpose of *expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting*. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the audit committee, management, and the state of Louisiana Legislative Auditor's office, and federal awarding agencies and pass-through entities. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



JERRY L. WHITE
CERTIFIED PUBLIC ACCOUNTANT

October 28th, 2001

JERRY L. WHITE
Certified Public Accountant

133 Buttercup Court
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(908) 823-0116

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

Board of Directors
Association for Community Training, Inc.
Shreveport, Louisiana

I have audited the compliance of Association for Community Training, Inc., with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the twelve period ended June 30, 2001. The Association for Community Training Inc. major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Association for Community Training's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issues by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Association for Community Training, Inc. compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of the Association for Community Training, Inc.'s compliance with those requirements.

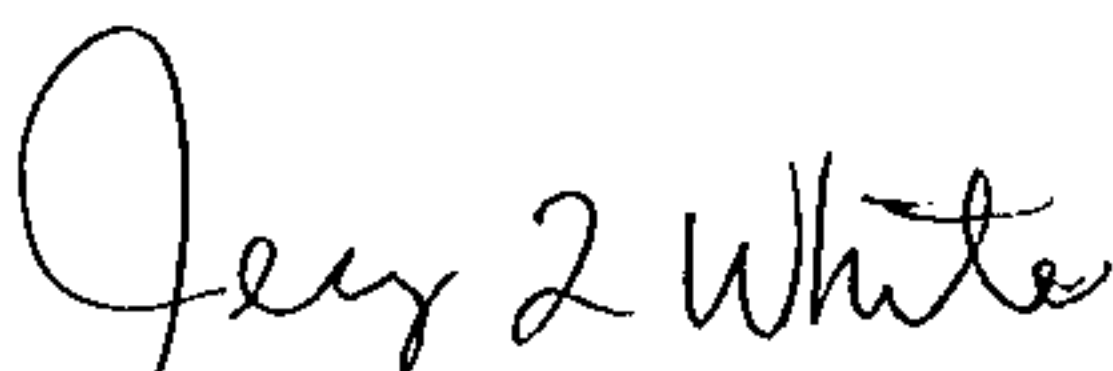
In my opinion, the Association for Community Training, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of the major federal programs for the twelve month period ended June 30, 2001.

Internal Control Over Compliance

The management of Association for Community Training, Inc., is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered the Association's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the audit committee, management, and the state of Louisiana Legislative Auditor's office, and federal awarding agencies and pass-through entities. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



JERRY L. WHITE

CERTIFIED PUBLIC ACCOUNTANT

October 28th, 2001

ASSOCIATION FOR COMMUNITY TRAINING, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2001

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: **Unqualified**

Internal control over financial reporting:

Material Weakness(es) identified? _____ yes X no

Reportable condition(s) identified
that are not considered to be material
weaknesses? _____ yes X no

Noncompliance material to financial
statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

Material Weakness(es) identified? _____ yes X no

Reportable condition(s) identified
that are not considered to be material
weaknesses? _____ yes X no none reported

Type of auditor's report issued on compliance for major programs: **Unqualified**

Any audit findings disclosed that are required
to be reported in accordance with section
510(a) of Circular A-133? _____ yes X no

Identification of major programs:

CFDA Number(s)

10.558

Name of Federal Program or Cluster

Child Care Food Program

Dollar threshold used to distinguish
between A and type B programs: 500,000

Auditee qualified as low-risk auditee: X yes _____ no

ASSOCIATION FOR COMMUNITY TRAINING, INC.
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the Year Ended June 30, 2001

<u>FEDERAL GRANT OR/PASS-THROUGH GRANT OR/PROGRAM TITLE</u>	<u>CFDA NUMBER</u>	<u>2001 EXPENDITURES</u>
MAJOR PROGRAMS:		
<u>United States Department of Agriculture</u>		
Passed through Louisiana Department of Education Child and Adult Care	10.558	723,008
Total Major Federal Program Expenditures		723,008
 <u>OTHER FEDERAL ASSISTANCE</u>		
Department of Substance Abuse and Mental Health:		
Passed through Louisiana Department of Education Drug Education and Prevention	84.186A	16,721
Total Federal Program Expenditures		739,729

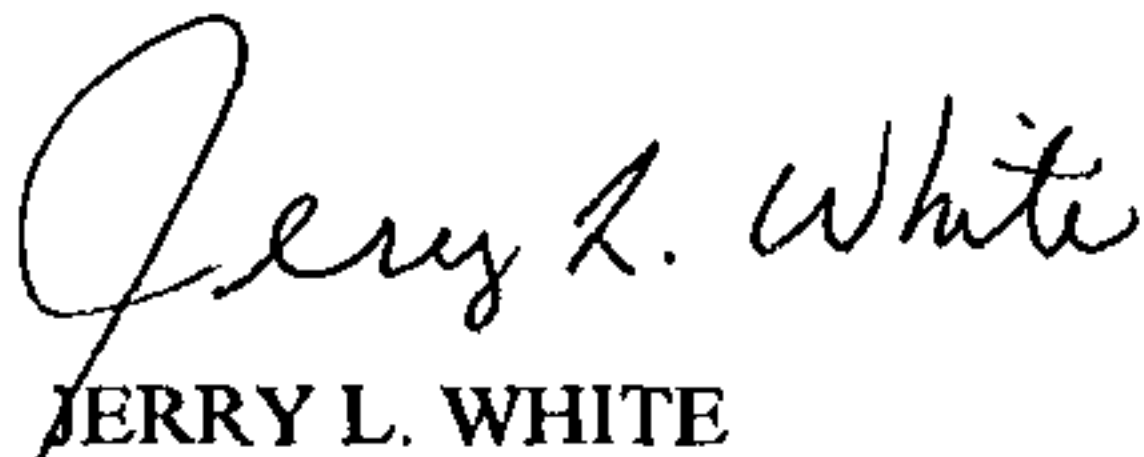
JERRY L. WHITE
Certified Public Accountant

133 Buttercup Court
White House Station, NJ 08889
(908) 823-0116

MANAGEMENT LETTER COMMENTS

Board of Directors
Association for Community Training, Inc.
Shreveport, Louisiana

THERE ARE NO MANAGEMENT LETTER COMMENTS FOR THE ASSOCIATION
FOR COMMUNITY TRAINING, INC. FOR THE YEAR ENDED JUNE 30, 2001.
PLEASE SEE SUMMARY OF PRIOR YEAR FINDINGS FOR FOLLOW-UP ON
PRIOR YEAR FINDINGS.



JERRY L. WHITE
CERTIFIED PUBLIC ACCOUNTANT

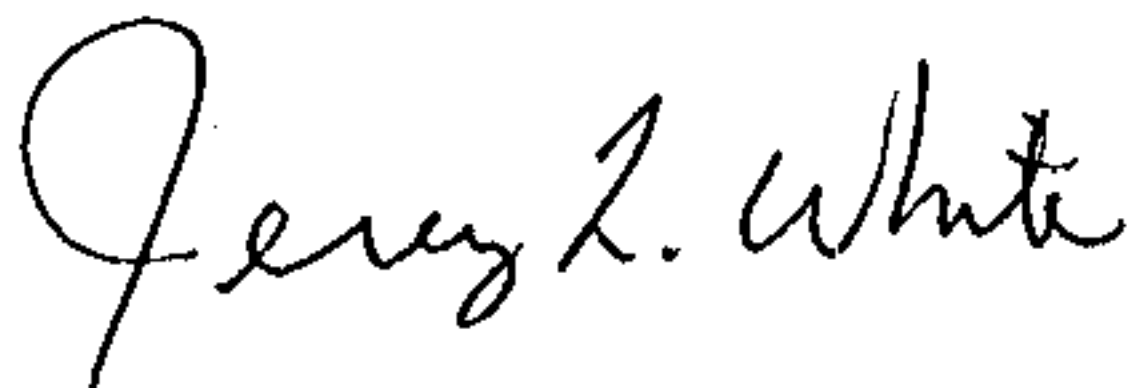
October 28, 2001

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MANAGEMENT'S CORRECTIVE ACTION PLAN

THERE WERE NO AUDIT FINDINGS AND/OR COMMENTS FOR THE YEAR ENDED JUNE 30, 2001, AND THEREFORE A MANAGEMENT CORRECTIVE ACTION PLAN WAS NOT APPLICABLE.



JERRY L. WHITE
CERTIFIED PUBLIC ACCOUNTANT

October 28, 2001

JERRY L. WHITE
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SUMMARY OF PRIOR YEAR FINDINGS

In 2000 the following Management Letter Comments were issued:

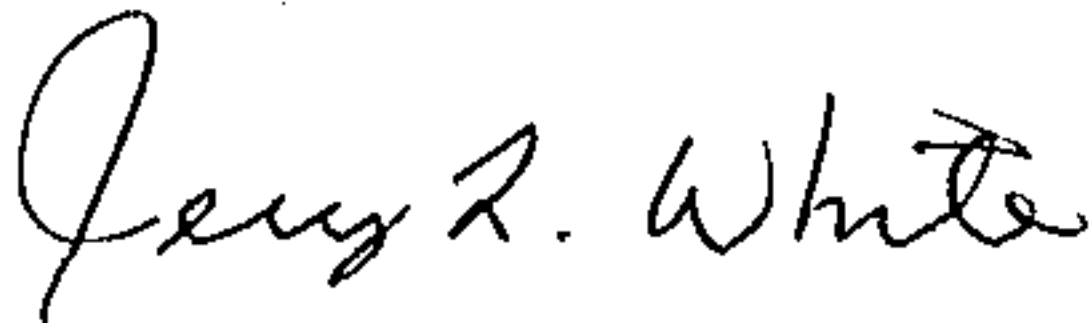
- 1) Improve controls over computers loaned-out to churches participating in the Access II program.

Management Corrective Action Plan:

Management implemented the following procedure as part of its corrective action plan:

- 1) All computer equipment should be up and functional within 30 days of receipt from the Association.
- 2) All equipment should be kept on-site, without exception and be readily available for inspection by the Association or other authorized individuals.
- 3) Equipment shall be used only for authorized training and educational activities.
- 4) Detailed inventory records should be maintained by each receiving location. These records should list the equipment serial number and model number, and equipment location.
- 5) List of instructors should be provided and maintained. Instructor qualification should be included on the list.

As part of my audit procedures for the year ended June 30, 2001, the auditor noted that the Association implemented a monitoring policy where-by the program director visited each location 3 to 4 times during the fiscal period to ensure adherence to the above procedure. The auditor reviewed documented evidence of these visits.

A handwritten signature in cursive script that reads "Jerry L. White".

JERRY L. WHITE
CERTIFIED PUBLIC ACCOUNTANT

October 28, 2001

S U P P L E M E N T A R Y
I N F O R M A T I O N

ASSOCIATION FOR COMMUNITY TRAINING, INC.
SHREVEPORT, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL
OUAD PROGRAMS FUND TYPE
For the Fiscal Year Ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (unfavorable)</u>
<u>REVENUES:</u>			
Government Grants	1,216,000	1,216,000	
Interest Income		6,226	6,226
Other			
	<u>1,216,000</u>	<u>1,222,226</u>	<u>6,226</u>
TOTAL REVENUES	1,216,000	1,222,226	6,226
<u>EXPENDITURES:</u>			
Personnel - Salaries	564,136	530,139	33,997
Personnel - Fringes	102,304	108,015	(5,711)
Personnel - Travel	22,988	23,266	(278)
Operating Services	118,728	123,211	(4,483)
Supplies	19,454	20,248	(794)
Equipment	110,000	109,663	337
Other ExpensesCosts	278,390	310,892	(32,502)
	<u>1,216,000</u>	<u>1,225,434</u>	<u>(9,434)</u>
TOTAL EXPENDITURES	1,216,000	1,225,434	(9,434)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u> </u>	<u>(3,208)</u>	<u>(3,208)</u>
FUND BALANCE, BEGINNING		(2,809)	(2,809)
INTERFUND TRANSFER	<u> </u>	<u>2,809</u>	<u>2,809</u>
FUND BALANCE, ENDING	<u> </u>	<u>(3,208)</u>	<u>(3,208)</u>

The accompanying notes are an integral part of this statement

ASSOCIATION FOR COMMUNITY TRAINING, INC.
SHREVEPORT, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE BUDGET (GAAP BASIS) AND ACTUAL
DRUG PROGRAM FUND TYPE
For the Fiscal Year Ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (unfavorable)</u>
<u>REVENUES:</u>			
Government Grants	20,000	16,721	(3,279)
Interest Income			
Other			
	<u>20,000</u>	<u>16,721</u>	<u>(3,279)</u>
TOTAL REVENUES	20,000	16,721	(3,279)
<u>EXPENDITURES:</u>			
Personnel - Salaries	13,728	13,467	261
Personnel - Fringes	1,143	1,109	34
Personnel - Travel			
Operating Services	666	1,305	(639)
Supplies	2,982	840	2,142
Equipment			
Other ExpensesCosts	1,481		1,481
	<u>20,000</u>	<u>16,721</u>	<u>3,279</u>
TOTAL EXPENDITURES	20,000	16,721	3,279
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u> </u>	<u> </u>	<u> </u>
FUND BALANCE, BEGINNING	<u> </u>	<u> </u>	<u> </u>
INTERFUND TRANSFER	<u> </u>	<u> </u>	<u> </u>
FUND BALANCE, ENDING	<u> </u>	<u> </u>	<u> </u>

The accompanying notes are an integral part of this statement